

Message Text

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ACTION EB-11

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RSC-01 FEA-02 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

FRB-03 H-03 INR-11 INT-08 L-03 LAB-06 NSAE-00 NSC-07

PA-04 AID-20 CIEP-02 SS-20 STR-08 TAR-02 TRSE-00

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TO SECSTATE WASHDC 7231

UNCLAS GENEVA 4644

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: MTN: JULY 17-18 MEETING OF TNC

REF: GENEVA 4609

1. FOR INFORMATION OF POSTS WE ARE TRANSMITTING HERE WITH PRESS ANNOUNCEMENT OF GATT SPOKESMAN AT END OF JULY 17 AND 18 MEETING OF GATT TRADE NEGOTIATIONS COMMITTEE AND USIS STORY ON AMBASSADOR MALMGREN'S PRESS CONFERENCE AT CONCLUSION OF SUBJECT MEETING:

2. GATT SPOKESMAN ANNOUNCEMENT:

(BEGIN TEXT)

TRADE NEGOTIATIONS COMMITTEE MET ON 17 AND 18 JULY TO CONTINUE ITS WORK.

3. THE COMMITTEE ADOPTED THE REPORTS OF THE FOUR GROUPS WHICH IT SET UP IN FEBRUARY OF THIS YEAR TO UNDERTAKE FURTHER PREPARATORY WORK ON TARIFFS; NON-TARIFF BARRIERS; AGRICULTURE; AND TROPICAL PRODUCTS.

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4. THE COMMITTEE, ON THE BASIS OF AN INDICATIVE CHECK-

LIST PUT FORWARD BY THE DIRECTOR- GENERAL, ALSO HAD A USEFUL DISCUSSION RELATING TO A RANGE OF SUBSTANTIVE QUESTIONS TO WHICH GOVERNMENTS WOULD ADDRESS THEMSELVES IN CAPITALS IN THE PERIOD BEFORE THE NEXT MEETING OF THE COMMITTEE.

5. AS REGARDS FURTHER PREPARATORY WORK TO BE UNDERTAKEN IN GENEVA, THE COMMITTEE ASSIGNED CERTAIN NEW OR ADDITIONAL TASKS TO SOME OF ITS EXISTING GROUPS TO BE CARRIED OUT BEFORE THE COMMITTEE'S NEXT MEETING. IT WAS ALSO DECIDED TO UNDERTAKE WORK RELATING TO CERTAIN ASPECTS OF THE SECTOR APPROACH AND THE ADEQUACY OF THE EXISTING MULTILATERAL SAFEGUARD SYSTEM-TASKS WHICH WERE PROVIDED FOR IN THE TOKYO DECLARATION.

6. FINALLY, THE COMMITTEE AGREED THAT IT WOULD MEET AGAIN TOWARD THE END OF OCTOBER TO TAKE STOCK OF THE SITUATION IN LIGHT OF PROGRESS IN THIS FURTHER WORK AND OF ANY DEVELOPMENTS THAT COULD ESTABLISH CONDITIONS PERMITTING THE SUBSTANTIVE ENGAGEMENT OF THE NEGOTIATIONS. THE CHAIRMAN WILL FIX THE EXACT DATE IN CONSULTATION WITH DELEGATIONS.
(END TEXT)

7. USIS GENEVA STORY:
(BEGIN TEXT)

GENEVA, JULY 18--THE TOKYO ROUND OF TRADE NEGOTIATIONS, ALREADY IN ACTIVE PREPARATION HERE, IS EXPECTED TO BEGIN HARD BARGAINING BY LATE OCTOBER.

8. THE 90-NATION TRADE NEGOTIATIONS COMMITTEE (TNC) IN WHICH THE TOKYO ROUND WILL TAKE PLACE WOUND UP A TWO-DAY MEETING HERE JULY 18 WITH THAT EXPECTATION.

9. THE EXPECTATION WAS LARGELY BASED ON THE STATEMENT BY U.S. DELEGATE HARALD B. MALMGREN THAT "THE ADMINISTRATION HAS REASON TO BELIEVE THAT THE (UNITED STATES) TRADE BILL WILL BE IN HAND BY THE END OF SEPTEMBER."

10. AMBASSADOR MALMGREN--WHO IS PRESIDENT NIXON'S
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DEPUTY SPECIAL TRADE REPRESENTATIVE--LATER TOLD A NEWS CONFERENCE THAT THIS PREDICTION WAS NOT BASED ON SPECULATION, BUT RATHER WAS A CONSIDERED JUDGEMENT BASED ON EXTENSIVE CONSULTATION WITH THE SENATE FINANCE COMMITTEE IN WHICH THE BILL IS PENDING.

11. HE FURTHER DEFINED THE PHRASE "IN HAND" TO INDICATE THE LEGISLATIVE WORK ON THE BILL WOULD BE SUBSTANTIALY

COMPLETE BY LATE SEPTEMBER.

12. PASSAGE OF THE BILL IS REQUIRED TO GIVE PRESIDENT NIXON REPRESENTATIVES THE MANDATE NEEDED TO TAKE PART IN THE MULTILATERAL TRADE NEGOTIATIONS.

13. THE TNC AGREED TO HOLD ITS NEXT MEETING "TOWARD THE END OF OCTOBER" ON A DATE TO BE SET BY COMMITTEE CHAIRMAN OLIVIER LONG, THE DIRECTOR GENERAL OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT).

14. MEANTIME THE COMMITTEE'S SUBGROUPS ARE TO HOLD A NUMBER OF MEETINGS IN LATE SEPTEMBER AND EARLY OCTOBER TO FINISH THEIR STATISTICAL AND ANALYTICAL PREPARATIONS FOR THE NEGOTIATIONS.

15. AMBASSADOR MALMGREN DESCRIBED THE TWO-DAY SESSION AS "VERY FRIENDLY, WITHOUT ARGUMENTS" AND SAID THE ATMOSPHERE NOW SEEMS PROPITIOUS FOR AN EARLY START ON SUBSTANTIVE NEGOTIATIONS.

16. HE SAID THE UNITED STATES STILL FAVORS THE END OF 1975 AS THE DEADLINE FOR ACHIEVEMENT OF A SUBSTANTIAL PACKAGE OF AGREEMENTS TO LIBERALIZE WORLD TRADE, AND SO DO OTHER GOVERNMENTS.

17. "IT WOULD BE HARD TO MAKE EXCUSES THAT SOMETHING ISN'T PREPARED," HE SAID. WE HAVE PRETTY WELL PREPARED EVERYTHING, AND SO, WITH A CERTAIN AMOUNT OF POLITICAL WILL, GOVERNMENTS CAN, BY THE END OF 1975, DO AN ENORMOUS AMOUNT."

18. NEW ISSUES MAY ARISE AND BY THAT TIME, HE SAID, IT
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MAY BE NECESSARY TO "TAKE A BREATH" AND THEN ATTACK TRADE LIBERALIZATION PROBLEMS AGAIN. BUT, HE SAID, THE PACKAGE THAT CAN EMERGE NEXT YEAR CAN BE BIGGER THAN ANY PREVIOUSLY NEGOTIATED.

19. HE SAID THAT CHANGING ECONOMIC CIRCUMSTANCES COULD HAVE LED SOME GOVERNMENTS TO REASSESS THEIR DEGREE OF ENTHUSIASM TOWARD THE PROJECTED NEGOTIATIONS.

20. BUT, IN FACT," HE SAID, "MOST OF THE GOVERNMENTS HAVE DONE WHAT I THINK THE MAJOR TRADING NATIONS HAVE DONE AND COME TO THE CONCLUSION THAT, BECAUSE OF THE DETERIORATING CIRCUMSTANCES INTERNATIONALLY, THERE IS ALL THE MORE REASON TO GET GOING ON THIS TRADE NEGOTIATION, NOT ONLY TO WORK ON LIBERALIZATION BUT ALSO TO HELP MANAGE

THE EVOLVING CIRCUMSTANCES THAT GOVERNMENTS BELIEVE MAY BE
FACING THEM IN THE NEXT YEAR OR TWO."
(END USIS STORY)
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